



Considerations **Before** You Invest

Every investment opportunity involves some degree of risk. Potential investors find themselves solicited by telephone calls, mailings, and even through their computer information systems. Some investment opportunities hold great promise of financial return: others do not. The greater the “promise” of return, the riskier the investment. Your best protection: **Investigate Before You Invest.**

Before you invest review your current financial situation and decide how much you can afford to invest. Consider the purpose for which you are investing. Consider the level of risk with which you are comfortable. Last, consult with a securities broker or an investment adviser who can help to determine what investments are suitable for you and your situation.

Before you invest, investigate the company, the salesperson, and the investment by asking questions and checking references. You should thoroughly understand the investment before you invest. Do not be afraid to ask questions and write down the answer for future reference.

THE HAWAII SECURITIES EDUCATION PROGRAM

We are a society of investors. Americans now put more money into investments each year than into saving accounts.

Unfortunately, investors through securities fraud, sales abuses, or failure to fully educate themselves on a particular issue lose millions of dollars. Frequently, these losses are from savings that have been painstakingly accumulated over many years or retirement funds that cannot be replaced.

Victims are of all ages and levels of sophistication. In the majority of these losses, none of the investors' money is ever recovered.

To counter these losses, the Office of the Commissioner of Securities at the Department of Commerce and Consumer Affairs has established the Securities Education Program.

THE PURPOSE OF THE PROGRAM

The Securities Education Program

- * Informs investors about securities laws and protections

- Alerts investors to potentially fraudulent securities schemes

- Provides practical, current information to help investors protect themselves

Because your state and federal securities regulators cannot predict all of the securities frauds and abuses that may occur in Hawaii, the Securities Education Program is designed to help investors to protect themselves.

INFORMATION TO HELP YOU

The program publications cover a variety of investment related topics, including small business, stocks, bonds, and mutual funds. They also provide information about the companies and people who sell these investments.

Learn about specific steps to take and agencies to call when you have questions. You can find out whether your salesperson is licensed to sell securities and whether there have been complaints against the salesperson or the broker/dealer.

You also will be reminded of some of the basic investing rules, such as:

No matter how you choose to invest your money, there will always be a degree of risk involved. (Risk means you may lose all or part of your investment.)

The higher the potential returns the riskier the investment.

SPEAKERS FOR GROUPS AND ORGANIZATIONS

In addition to publications, speakers are available to community groups and organizations at no charge. Groups interested in scheduling a Securities Education Program representative can call (808) 586-3976. The Securities Education Program is a public service to Hawaii investors.

**SOME OF THE TOPICS THAT WE CAN BRING
TO YOUR GROUP:**

Investment fraud, schemes, and scams

Preventing and resolving problems with investment professionals

Publications full of useful investment information

Current investor alerts

Securities arbitration

Video presentations about securities investment

Other customized programs may be available upon request.

Call, e-mail, or fax Carlos M. Molina
Securities Education Specialist

Telephone: (808) 586-3976

Fax: (808) 586-3977

E-mail: cmolina@dcca.state.hi.us

Alternatively, visit our Web site:

www.state.hi.us/dcca/divisions/breg-seu/

BROCHURES AND PUBLICATIONS AVAILABLE

Securities Education Program folder contains:

- ✍ Considerations Before You Invest
- ✍ How to Choose a Broker
- ✍ How to Choose an Investment
- ✍ How to Read a Prospectus
- ✍ Mutual Funds
- ✍ Stocks and Bonds
- ✍ After You Have Made Your Investment
- ✍ Information About Investing Online
- ✍ Protect Yourself Against Fraud
- ✍ Risky Investments
- ✍ How Older Americans Can Avoid Fraud and Abuse
- ✍ How to Spot Investment Scams
- ✍ 20 Questions to Ask A Person Selling Investments
- ✍ How To Spot A Con Artist
- ✍ Pyramid Schemes
- ✍ Ponzi Schemes
- ✍ Ten Top Scams
- ✍ Foreign Currency Trading Frauds
- ✍ SIPC: Securities Investor Protection Corporation
- ✍ NASD Customer Complaint Program
- ✍ Arbitration and Mediation of Disputes
- ✍ Variable Annuities
- ✍ Sources of Investor Information
- ✍ Related Links
- ✍ Small Business Investments

NATIONAL PUBLICATIONS

Certificate of Deposit: Tips for Investors
Ask Questions
Cold Calling Alert
International Investing

Investing Wisely
Investment Swindles
Investor's Bill of Rights
Investor's Guide to Bond Basics
CMOs
Corporate Bonds
Insured Municipal Bonds
Municipal Bonds
Zero Coupon Municipal Bonds
A Roadmap to Start You on a Journey to Financial Security
Through Saving and Investing
The Swindlers Are Calling
Investor Topics – Basics of Investing
Managing Your Expectations for Long Term Success in the Stock
Market
On-Line Investing Tips
Understanding Market Risks
Buying Stocks on Margin

For More Information

STATE OF HAWAII
SECURITIES EDUCATION PROGRAM
Department of Commerce & Consumer Affairs
Office of the Commissioner of Securities
1010 Richards Street
Honolulu, Hawaii 96813
(808) 586-2740
(808) 586-3976